

## I. Historical, Political and Demographic Overview

The Islamic Republic of Pakistan extends 1,000 miles northwest from the Arabian Sea. It is bounded on the west by Iran and Afghanistan, on the north by China, and on the east by India.

Created as a separate Moslem nation by the 1947 partition of British India, Pakistan originally consisted of its present territory and, what is now, Bangladesh. The latter, formally East Pakistan, broke away in 1971. Today Pakistan consists of four provinces - Sind, Punjab, the Northwest Frontier Province (NWFP), and Baluchistan - in addition to the several centrally administered tribal areas\* in the NWFP and the federal capital of Islamabad. Its population of approximately 90 million people is concentrated in the following areas: the seaport city of Karachi; along the Indus Valley; and in the arc extending from Lahore in the east to Peshawar in the West.

Relations with India have been complicated by three wars. There have been attempts of late on both sides to improve bilateral relations; Pakistan has tabled a "No-war Pact", India, in turn, has proposed a "Friendship Treaty". However, deep suspicions still abound both in Islamabad and in New Delhi. A chronic issue bedouing relations will continue to be Pakistan's claim to India-held Kashmir, an area which the GGP believes to be an integral part of its territory.

Pakistan has had only minimal success in establishing democratic institutions. The present government, the martial law administration of General Mohammad Zia-ul-Haq, has been in control of the country since July 1977. It is only one of several military regimes which have checkered Pakistan's 37-year history. The present government, however, has promised that elections will be held in March 1985 to replace the current scheme of military rule.

U.S. - Pakistani relations have improved over the last five years as a result of shared perceptions of the dangers attendant to the Soviet invasion of Afghanistan. The USC is committed over the course of the next five years to providing Pakistan in excess of \$1 billion in military and economic assistance. This commitment may, in fact, be jeopardized by provisions in the Foreign Assistance Act which mandate a cessation of economic aid to those nations which fail to take effective measures to curb the growth, production, or export of narcotic drugs.

\* "Settled areas" are those which had been under direct British administration before independence and which are now under the administrative and political jurisdiction of the GGP. "Merger areas" are those which, while subject ultimately to British authority, had remained the domain of local princely rulers. After independence, the GGP concluded agreements with these rulers, whereby their territories were "merged" into central government control. The "tribal areas" are those over which the British did not exercise authority. The GGP has concluded agreements which, in effect, leave responsibility for local affairs in the hands of tribal leaders.

## II. Drug Overview

Opium has been a traditional crop in the Northwest Frontier Province (NWFP) since the time of Alexander the Great. After partition the Central Government limited poppy cultivation to government licensees who were allowed to cultivate poppies in order to supply opium to meet the country's legitimate pharmaceutical needs. In addition, registered addicts were able to purchase opium at government-licensed vends.

It has only been in the last two to three years that Pakistan has become one of the world's principal manufacturers/exporters of heroin. This phenomenon of heroin production is a function of a number of factors: (A) the elimination of Turkey as an illicit opium producer; (B) a reduction in Mexican output; (C) inconsistent crops in the Golden Triangle (i.e., Burma, Thailand, and Laos); (D) the dislocations stemming from both the political upheaval in Iran and the Soviet invasion of Afghanistan; (E) the growth of the European and American markets; and (F) the bumper 1978-1979 Pakistani opium crop of 800 metric tons.

As a result of this situation, the Government promulgated in February 1979 the Prohibition (Enforcement of Hadd) Order, an enactment rooted in Islamic law, which has served to effect a total ban on opium production, processing, and use. The Order, which has been generally enforced in the "settled areas" has only recently (December 1983) been extended to the "tribal areas".

In any event, both the Central Government in Islamabad and the NWFP Provincial Government in Peshawar have repeatedly taken the position that improved economic and social conditions are a prerequisite to any effective long-term enforcement effort. Therefore, until such conditions are brought about, climatic considerations and price will continue to play a significant role in determining annual opium yields. However, given the ready availability of opium from Afghanistan and extent stocks in-country as well as a network of laboratories in the NWFP, Baluchistan and Afghanistan, Pakistan will continue to assume the role of a major source or transit country for heroin.

### Estimated Annual Opium Production (metric tons):

1977	1978	1979	1980	1981	1982	1983	1984
300	500	800	100-125	100-125	50	63	45

In examining the relationship between opium and heroin, it is important to keep in mind that approximately ten parts of opium represent one part of heroin (i.e., ten metric tons of opium = one metric ton of heroin).

As can be noted from the foregoing, opium production in recent years has fallen dramatically as a result of a combination of various factors: (A) enforcement activities in the Buner sub-division and the Malakand Agency, major poppy growing areas in Pakistan; (B) poor winter rains; (C) the presence of existing stockpiles of opium of local origin; and (D) opium smuggled from Afghanistan. These last two factors have served to depress the price of the drug all along the production network. This, in turn, has increased the attractiveness of alternative crops introduced pursuant to USG and UN-funded economic development projects.

In examining illicit opium cultivation patterns, we note that opium poppies are sown between October and December and harvested during the six week period beginning in the latter part of March. Cultivation of late has, for the most part, taken place in the following areas in the NWFP: the Dir District of the Malakand Division (principal source); the Gakoon and Arasai Areas; the Bajaur Agency; the Mohmand Agency; the Malakand Agency; the Khyber Agency; Kohistan; and other tribal areas. Total acreage devoted to opium cultivation during the 1983-1984 growing season was estimated to be 6,797 by the Pakistan Narcotics Control Board (PNCB).

Traditional drug distribution patterns have been altered somewhat by recent events in Iran and in Afghanistan. Undoubtedly, opium is still moving to Turkey and into Southern Europe via these two countries. However, most drugs (i.e., both Pakistani and Afghan heroin and opium) are being shipped to the West either by boat from Karachi or from one of a number ports along the Baluchistan coast or by air from Peshawar, Lahore, or Islamabad. In addition, increasing amounts of drugs are being sent westward via India with New Delhi and Bombay as the transshipment points. We must emphasize that prior to 1980, heroin was not manufactured in Pakistan; however, given the risks involved in shipping opium to Iran and Afghanistan, given the relative ease with which heroin is manufactured and transported, and given the potential profits to be made, heroin laboratories sprung up that year in the "tribal areas" of the NWFP. As noted above, there are areas over which the Central Government exercises limited control. However, enforcement actions against laboratories in the Khyber Agency have resulted in the establishment of heroin laboratories in Afghanistan.

### III. Economic and Social Impact

While it is difficult to quantify with any degree of specificity, we believe that significant profits are being made all along the narcotics production and distribution line. The PNCB has estimated that approximately only 200 million are spent each year by the nation's 1.3 million addicts for drugs (including alcohol). Given the level of wages prevailing in Pakistan today, we have no reason to credit that some of these funds are being directed to governmental officials so as to hamper enforcement efforts.

Prior to 1980, Pakistan, despite its role as a major producer of raw opium, did not have a serious domestic drug abuse problem. The estimated 50,000-300,000 opium addicts were not deemed a threat to the social fabric. Their addiction, in the main, was not that debilitating to the point that they were not able to function in society. In 1980, however, with the appearance of illicit refining facilities, cases of heroin smoking were observed in the NWFP, Baluchistan, and the Sind (Karachi). Since that time, the incidence of heroin addiction has increased by exponential proportions. Conservative estimates place the indigenous addict population at 150,000. In light of the abundant supply today of low-priced heroin, we have every reason to believe that this number will increase over time despite the Government of Pakistan's efforts to both publicize the danger of narcotics addiction as well as to establish treatment and rehabilitation centers.

#### IV. GOP Institutional Response . .

The Pakistan Narcotics Control Board (PNCB), a semi-autonomous agency within the Ministry of Interior, is the prime governmental body concerned with narcotics control efforts in Pakistan. The GOP established the PNCB in March 1973 in fulfillment of its obligations under the U.N. Single Convention on Narcotic Drugs. The Charter creating the Board gave it a wide range of duties of an enforcement, advisory, supervisory, and coordinating nature. The PNCB, headed by Chairman Mairaj Husain, has regional offices in each provincial capital to which field investigative units are attached.

The PNCB created in 1981 a new narcotics enforcement institution, the Joint Narcotics Task Force (JNTF). The five JNTF units which are now positioned around the country, are hybrid entities consisting of elements of the PNCB, the provincial police, the provincial excise and taxation departments, and, in certain units, Customs.

The Customs Service of the Ministry of Finance is seized with the task of interdicting narcotics and their sale or use in Pakistan. By the end of CY 1985, the GOP hopes to have thirteen Special Drug Enforcement Cells in operation at all legal points of entry/exit. In addition, more emphasis is being placed on narcotics interdiction by the 23, soon to be 30, anti-smuggling mobile units of Customs.

Other governmental agencies concerned with narcotics enforcement are: four provincial police forces; four provincial departments of excise and taxation; the Airport Security Force; the Frontier Corps and Constabulary; the Coast Guard; the Pakistan Rangers; the Northwest Frontier Province Levies; and the Federal Investigation Agency.

It is estimated that the concerned law enforcement bodies managed to seize two tons of heroin in 1982 and 1983. It is thought that at least another two tons managed to escape detection.

The GOP amended in December 1983 both the Prohibition (Enforcement of Hadd) Order and the Dangerous Drugs Act so that possession of more than ten grams of either heroin or opium subjects an accused to a minimum prison term of not less than two years and a maximum term of life imprisonment. As of this date, it is very difficult to measure the effectiveness of these decrees in view of the fact that many courts (civil and military) are awarding sentences under the minimum two year sentence. At the same time, the GOP extended the applicability of the Dangerous Drugs Act, the Prohibition (Enforcement of Hadd) Order and the Customs Act to the "Tribal Areas".

#### V. USC Response (See attached Chart and Memorandum)

Clearly our primary narcotics objective is to encourage and assist the GOP in effectively enforcing its ban on opium possession, cultivation, trade, and refining. A corollary, but also important, USC objective is to improve the GOP's ability to both investigate and prosecute narcotics traffickers and financiers. The Department of State's Narcotics Affairs Unit (NAU), The Drug Enforcement Administration (DEA), the Agency for International Development (AID), the United States Information Service (USIS), and other offices of the Embassy all work closely toward this end under the leadership of the Ambassador and the Deputy Chief of Mission. The latter chairs the country narcotics coordinating committee which consists of the following: (1) the Narcotics Affairs Counselor; (2) the Drug Enforcement Administration (DEA) Country Attache; (3) the Deputy AID Mission Director; (4) the Economic Counselor; (5) the Political Counselor; and (6) the USIS Country Information Officer.

The Unit is headed by the Counselor for Narcotics Affairs who has one American Deputy, a Rural Development Officer, a Communications Advisor, a Foreign Service National Program Specialist, and a support staff consisting of American and Foreign Service National personnel. The Unit, whose program budget in FY'84 is about \$1.8 million, does the following: (A) provides the JMW units and Customs' drug enforcement cells with vehicles and communications networks; (B) supports the PNOC's Narcotics Training Center and nationwide narcotics intelligence system; (C) equips the narcotics analysis laboratory at the GOP's National Institute of Health; (D) equips the PNOC's Islamabad communications and relay facility which services both the PNOC and Customs; (E) assists the GOP in its enforcement of its ban on opium poppy cultivation through the Malakand Area Development and Agricultural Outreach Project Agreement; (F) works to develop the narcotics treatment and rehabilitation opportunities of the GOP; (G) assists the GOP and the local media in its efforts to increase domestic awareness of Pakistan's internal narcotics problem; and (H) encourages local government officials to the United States on special observation programs, including to learn their professional anti-narcotics information.

DEA Pakistan is directed by a Country and Assistant Country Attache. There are Resident Agents In-Charge in Lahore, Peshawar, and Karachi. In Lahore and in Karachi, the Agents In-Charge are each assisted by three Special Agents. Plans are underway to place four additional agents in country in FY'85 to serve as on-the-job trainers for not only the JNTF Units in Lahore, Karachi, and Peshawar but also for the PNCB and Customs Training Schools in Islamabad and Karachi, respectively. DEA is in Pakistan to pursue the following objectives: (A) to assist the PNCB, the JNTF Units, and the Drug Enforcement Cells to pursue their law enforcement activities; (B) to transmit narcotics intelligence information to Washington as well as to COP law enforcement agencies; and (C) to provide technical assistance to both the PNCB's and the Customs' training facilities. DEA Pakistan's proposed budget for FY'85 is dols 1.4 million.

AID's narcotics activities are coordinated by its Deputy Mission Director who, in turn, is assisted by the Tribal Areas Development Manager and the Northwest Frontier Development Project Manager. AID, in addition to its dols 20,000,000 development project in the Northwest Frontier Area, has also committed dols 5,000,000 to the Special Development and Enforcement Plan (SDEP), a development project in the poppy growing area of the NWFP which is to be coordinated by the United Nations Fund for Drug Abuse Control (UNPDAC).

The United States Information Service (USIS) in Pakistan has been instrumental in providing technical assistance to the various media conferences designed to raise the level of Pakistani awareness to the threat posed to society by drug abuse. In addition, USIS has produced English and Pushto versions of the documentary film "Heroin Hits Pakistan".

#### VI. UNPDAC

As noted above, UNPDAC will serve as a conduit through which funds will be channeled to the SDEP. At this point in time, dols 13.5 million have been pledged by the U.S., the U.K., Italy, and Switzerland for this endeavor. The fund will also provide technical assistance to the Special Development Unit, the body created to administer the Plan.

UNPDAC has also been involved for the last seven years in a development project in the Buner Subdivision of the Malakand Division. The Buner Project, which has emphasized alternative crops and water resource development, has resulted in the elimination of poppies in the project area. At one point in time Buner, a "marginal area", was the largest opium producing section of Pakistan outside the "settled areas".

UNPDAC has also funded rehabilitation and narcotics awareness activities.

## VII. Future Prospects -----

While the GGP has expressed in various fora and on various occasions its agreement with our stated objectives vis-a-vis narcotics control, positive results are by no means guaranteed in either the short or long terms. Success will be facilitated only if various conditions precedent are met: (A) improvement of the enforcement capabilities of governmental agencies through better training and intelligence gathering, increased staffing, additional vehicular and communications equipment, added operational funds (including reward and enforcement payments), and generally higher wages to law enforcement officials; (B) completion of development projects in the poppy-growing areas; (C) the effective extension of Central Governmental authority to the "tribal areas" of the NWFP; and (D) cooperation on a regional level especially with India, Iran, and Afghanistan.

Achievement of conditions A and B will clearly require both bilateral assistance from the USG as well as aid from other concerned nations. Fulfillment of condition precedent C will require a decision from the highest levels of government in Islamabad. Finally, a generally lessening of tensions between India and Pakistan as well as a settlement of the current Afghan problem will serve to promote greater regional cooperation in the narcotics realm.

In sum, while we have observed the coalescing of the elements needed for an effective narcotics control effort, we must, unfortunately, note that the pace of this process has not been consistent with the elimination, in the near future, of Pakistan as a poppy cultivating and heroin producing and trafficking nation.

## USG Contributions to GOP Narcotics Programs

Through FY-84, the total USG contribution to Pakistan for narcotics matters has been \$29,255,245.00.

(1) Law Enforcement Assistance To the PNCB and to the Customs-\$3,893,000.

These funds have been used to provide the Joint Narcotics Task Force Units and the Customs' Drug Enforcement Cells with vehicles and communications equipment. Furthermore, we have also supported the PNCB's narcotics training center, the communications maintenance and repair facility, intelligence network, and the narcotics analysis laboratory at the National Institute of Health.

(2) Operational Law Enforcement/Intelligence Support:

FY-73-76	-	\$600,000-estimated
FY-79	-	\$300,000-estimated
FY-80	-	\$750,000-estimated
FY-81	-	\$850,000-estimated
FY-82	-	\$900,000-estimated
FY-83	-	\$1,100,000-actual
FY-84	-	<u>\$1,250,000-actual</u>

- \$5,750,000

Funding for FY-85 should be in the neighborhood of \$1,400,000.

(3) Observation and Training Programs - \$435,000

Since 1980, the USG has spent \$435,000 to fund the travel of GOP officials to the U.S. as well as the travel of DEA and Customs training officials to Pakistan.

(4) Demand Reduction Project - \$273,245

This Project has been used to underwrite the costs of media conferences designed to draw local attention to the domestic dangers inherent in drug abuse. FY-84 monies will also be employed to fund courses for doctors and social workers on narcotics detoxification and rehabilitation. In addition, the Demand Reduction Project has also underwritten the costs of studies on narcotics abuse in Gilgit and Sialkot.



(5) Malakand Area Development Project - \$5,100,000

This Project has been designed to both develop the economic infrastructure of the Malakand Agency, a traditional poppy growing area, as well as to assist the COP in enforcing its ban on opium poppy cultivation. As a result of the Malakand Area Development Project, roads, irrigation systems, schools etc., have been built in the Agency. Furthermore, villages have been electrified and areas reforested.

(6) Agricultural Outreach Project - \$750,000

Pursuant to this program, farmers in the poppy growing areas of the Malakand Agency and the Dir District have been introduced to modern agricultural practices, new crops, and higher-yielding seeds of traditional crops. This year, we have introduced small-scale development projects into the Dir District (e.g., drinking water schemes).

(7) Northwest Frontier Development Project (formerly the Gadoon-Amazai Project):

FY-83 (Actual)	-	\$2,500,000
FY-84 (Actual)	-	\$4,500,000
FY-85 (Planned)	-	\$7,200,000
FY-86 (Planned)	-	\$5,000,000
FY-87 (Planned)	-	<u>\$5,000,000</u>
Sub - Total	-	\$25,000,000

This Project will fund agricultural outreach activities and infrastructure development (e.g., road construction, irrigation schemes, etc.) in the Gadoon-Amazai Area.

(8) SDEP:

FY-84 (Actual)	-	<u>\$5,000,000</u>
Sub - Total	-	\$5,000,000

We might add that the USC has also authorized \$300,000 for the SDEP's Special Development Unit.

(9) Program Development and Support - \$1,040,000

This figure represents the amount expended on some of the administrative costs (e.g., salaries) attendant to the implementation of the aforementioned projects.

(Figures in U.S. Dollars)

EMBASSY (NAU) TOOK OVER THE PROGRAM IN FY-79 FROM U.S. AID.

